



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2009
OF THE CONDITION AND AFFAIRS OF THE

Fidelis SecureCare of Michigan Inc.

NAIC Group Code 3744 (Current Period), 3744 (Prior Period) NAIC Company Code 10769 Employer's ID Number 30-0312489

Organized under the Laws of Michigan, State of Domicile or Port of Entry Michigan

Country of Domicile United States

Licensed as business type: Life, Accident & Health [], Property/Casualty [], Dental Service Corporation [], Vision Service Corporation [], Other [], Health Maintenance Organization [X], Hospital, Medical & Dental Service or Indemnity [], Is HMO, Federally Qualified? Yes [X] No []

Incorporated/Organized 12/09/2004 Commenced Business 07/15/2005

Statutory Home Office 38777 West Six Mile Road, Suite 207 (Street and Number), Livonia, MI 48152 (City or Town, State and Zip Code)

Main Administrative Office 1700 East Golf Road, Suite 1115 (Street and Number), Schaumburg, IL 60173 (City or Town, State and Zip Code), 847-605-0501 (Area Code) (Telephone Number)

Mail Address 1700 East Golf Road, Suite 1115 (Street and Number or P.O. Box), Schaumburg, IL 60173 (City or Town, State and Zip Code)

Primary Location of Books and Records 1700 East Golf Road, Suite 1115 (Street and Number), Schaumburg, IL 60173 (City or Town, State and Zip Code), 847-592-9480 (Area Code) (Telephone Number)

Internet Website Address www.fidelissc.com

Statutory Statement Contact Dawn Marie Gilbert Ms (Name), 847-592-9480 (Area Code) (Telephone Number) (Extension), dawn.gilbert@fidelissc.com (E-mail Address), 847-517-1085 (FAX Number)

OFFICERS

Name	Title	Name	Title
Catherine Joan Kiley Ms.	President	Samuel Randolph Willcoxon Mr.	Secretary
David William Goltz Mr.	Treasurer		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Samuel Randolph Willcoxon Mr.	David William Goltz Mr.	Jerome Wilborn Mr.	
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State of _____
County of _____

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The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Catherine Joan Kiley Ms. President

Samuel Randolph Willcoxon Mr. Secretary

David William Goltz Mr. Treasurer

Subscribed and sworn to before me this _____ day of _____,

a. Is this an original filing? Yes [] No []

b. If no,

1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,059,693		1,059,693	1,053,637
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	.0		.0	.0
2.2 Common stocks .....	.0		.0	.0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			.0	.0
3.2 Other than first liens .....			.0	.0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			.0	.0
4.2 Properties held for the production of income (less \$ encumbrances) .....			.0	.0
4.3 Properties held for sale (less \$ encumbrances) .....			.0	.0
5. Cash (\$8,505,554 , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short-term investments (\$127,886 , Schedule DA).....	8,633,440		8,633,440	7,229,925
6. Contract loans, (including \$premium notes)			.0	.0
7. Other invested assets (Schedule BA) .....	.0	.0	.0	.0
8. Receivables for securities .....			.0	.0
9. Aggregate write-ins for invested assets .....	.0	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9)	9,693,133	.0	9,693,133	8,283,562
11. Title plants less \$charged off (for Title Insurers only) .....			.0	.0
12. Investment income due and accrued .....	.719		.719	13,027
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....			.0	343,517
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium).....			.0	.0
13.3 Accrued retrospective premium.....			.0	.0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....			.0	.0
14.2 Funds held by or deposited with reinsured companies .....			.0	.0
14.3 Other amounts receivable under reinsurance contracts .....			.0	.0
15. Amounts receivable relating to uninsured plans .....			.0	.0
16.1 Current federal and foreign income tax recoverable and interest thereon .....			.0	.0
16.2 Net deferred tax asset.....			.0	.0
17. Guaranty funds receivable or on deposit .....			.0	.0
18. Electronic data processing equipment and software.....			.0	.0
19. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			.0	.0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			.0	.0
21. Receivables from parent, subsidiaries and affiliates	49		49	51,070
22. Health care (\$63,771) and other amounts receivable.....	104,157	40,386	63,771	.0
23. Aggregate write-ins for other than invested assets	38,754	.0	38,754	.0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	9,836,812	40,386	9,796,426	8,691,176
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	.0
26. Total (Lines 24 and 25)	9,836,812	40,386	9,796,426	8,691,176
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.0	.0	.0	.0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Due From CMS.....	38,754		38,754	.0
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	.0	.0	.0	.0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	38,754	0	38,754	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	2,336,880		2,336,880	4,809,351
2. Accrued medical incentive pool and bonus amounts	172,700		172,700	191,427
3. Unpaid claims adjustment expenses	51,355		51,355	69,237
4. Aggregate health policy reserves	285,000		285,000	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	1,625		1,625	0
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittance and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	230,650		230,650	456,376
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans	465,000		465,000	0
21. Aggregate write-ins for other liabilities (including \$ current)	64,728	0	64,728	0
22. Total liabilities (Lines 1 to 21)	3,607,938	0	3,607,938	5,526,391
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	1	1
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	2,624,999	2,624,999
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	3,563,488	539,785
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	XXX	XXX		0
30.2 shares preferred (value included in Line 25 \$)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	6,188,488	3,164,785
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	9,796,426	8,691,176
DETAILS OF WRITE-INS				
2101. Due to CMS - overpayment (2007) LICS (2006)	64,728		64,728	0
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	64,728	0	64,728	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	8,886	13,564
2. Net premium income (including \$0 non-health premium income).....	XXX	20,897,546	25,913,760
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		0
4. Fee-for-service (net of \$ medical expenses).....	XXX		0
5. Risk revenue.....	XXX		0
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	20,897,546	25,913,760
Hospital and Medical:			
9. Hospital/medical benefits.....		6,808,345	13,353,143
10. Other professional services.....		2,475,394	4,305,601
11. Outside referrals.....			0
12. Emergency room and out-of-area.....		131,190	147,321
13. Prescription drugs.....		3,266,794	5,300,339
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		854,415	528,660
16. Subtotal (Lines 9 to 15).....	0	13,536,138	23,635,064
Less:			
17. Net reinsurance recoveries.....			0
18. Total hospital and medical (Lines 16 minus 17).....	0	13,536,138	23,635,064
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$0 cost containment expenses.....		731,550	453,491
21. General administrative expenses.....		2,194,650	1,360,471
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	16,462,338	25,449,026
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	4,435,208	464,734
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		52,282	117,916
26. Net realized capital gains (losses) less capital gains tax of \$0			0
27. Net investment gains (losses) (Lines 25 plus 26).....	0	52,282	117,916
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)].....			0
29. Aggregate write-ins for other income or expenses.....	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	4,487,490	582,650
31. Federal and foreign income taxes incurred.....	XXX	1,525,747	198,101
32. Net income (loss) (Lines 30 minus 31).....	XXX	2,961,743	384,549
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

STATEMENT OF REVENUE AND EXPENSES (continued)

	1	2
	Current Year	Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior-reporting period	3,164,786	1,718,201
34. Net income or (loss) from Line 32	2,961,743	384,549
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax		0
39. Change in nonadmitted assets	61,551	37,036
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	1,025,000
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	408	0
48. Net change in capital & surplus (Lines 34 to 47)	3,023,702	1,446,585
49. Capital and surplus end of reporting period (Line 33 plus 48)	6,188,488	3,164,786
DETAILS OF WRITE-INS		
4701. Change in Unpaid Claims - PY	408	0
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	408	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	21,552,037	25,588,451
2. Net investment income	57,547	132,043
3. Miscellaneous income	(63,771)	0
4. Total (Lines 1 through 3)	21,545,813	25,720,494
5. Benefit and loss related payments	16,027,335	22,816,225
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions	2,477,457	2,306,974
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	1,525,747	198,101
10. Total (Lines 5 through 9)	20,030,539	25,321,300
11. Net cash from operations (Line 4 minus Line 10)	1,515,274	399,194
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	560,000	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	560,000	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds	559,013	0
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	559,013	0
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	987	0
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	1,025,000
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	(112,746)	256,630
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(112,746)	1,281,630
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	1,403,515	1,680,824
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	7,229,925	5,549,101
19.2 End of year (Line 18 plus Line 19.1)	8,633,440	7,229,925

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	20,897,546	0	0	0	0	0	20,897,546	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	20,897,546	0	0	0	0	0	20,897,546	0	0	0
8. Hospital/medical/ benefits	6,808,345						6,808,345			XXX
9. Other professional services	2,475,394						2,475,394			XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	131,190						131,190			XXX
12. Prescription Drugs	3,266,794						3,266,794			XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	854,415						854,415			XXX
15. Subtotal (Lines 8 to 14)	13,536,138	0	0	0	0	0	13,536,138	0	0	XXX
16. Net reinsurance recoveries	0									XXX
17. Total hospital and medical (Lines 15 minus 16)	13,536,138	0	0	0	0	0	13,536,138	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ cost containment expenses	731,550						731,550			
20. General administrative expenses	2,194,650						2,194,650			
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	16,462,338	0	0	0	0	0	16,462,338	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	4,435,208	0	0	0	0	0	4,435,208	0	0	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....				.0
2. Medicare Supplement .....				.0
3. Dental Only.....				.0
4. Vision Only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare	21,029,162		131,616	20,897,546
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8)	21,029,162	0	131,616	20,897,546
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	21,029,162	0	131,616	20,897,546

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	15,154,194						15,154,194			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	15,154,194	0	0	0	0	0	15,154,194	0	0	0
2. Paid medical incentive pools and bonuses	873,142						873,142			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	2,336,880	0	0	0	0	0	2,336,880	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	2,336,880	0	0	0	0	0	2,336,880	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0						0			
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	172,700						172,700			
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	4,809,351	0	0	0	0	0	4,809,351	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	4,809,351	0	0	0	0	0	4,809,351	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	191,427	0	0	0	0	0	191,427	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	12,681,723	0	0	0	0	0	12,681,723	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	12,681,723	0	0	0	0	0	12,681,723	0	0	0
13. Incurred medical incentive pools and bonuses	854,415	0	0	0	0	0	854,415	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	280,635						280,635			
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	280,635	0	0	0	0	0	280,635	0	0	0
2. Incurred but Unreported:										
2.1. Direct	2,056,245						2,056,245			
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	2,056,245	0	0	0	0	0	2,056,245	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	2,336,880	0	0	0	0	0	2,336,880	0	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	2,336,880	0	0	0	0	0	2,336,880	0	0	0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan Premiums					0	0
6. Title XVIII - Medicare	3,919,235	11,234,959	351,740	1,985,140	4,270,975	4,809,351
7. Title XIX - Medicaid.....					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	3,919,235	11,234,959	351,740	1,985,140	4,270,975	4,809,351
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts	70,291	802,851	0	172,700	70,291	191,427
13. Totals (Lines 9 - 10 + 11 + 12)	3,989,526	12,037,810	351,740	2,157,840	4,341,266	5,000,778

(a) Excludes \$loans or advances to providers not yet expensed.

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior .....	.0	.0	.0	.0	
2. 2005.....	175	837	.0	.0	
3. 2006.....	XXX	5,553	2,034	.0	
4. 2007.....	XXX	XXX	14,237	3,763	
5. 2008.....	XXX	XXX	XXX	19,190	3,919
6. 2009.....	XXX	XXX	XXX	XXX	11,235

Section B - Incurred Health Claims - Medicare

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior					
2. 2005.....					
3. 2006.....	XXX				
4. 2007.....	XXX	XXX			
5. 2008.....	XXX	XXX	XXX		
6. 2009.....	XXX	XXX	XXX	XXX	13,536

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2005.....	815	.0		.0	.0	.0			.0	.0
2. 2006.....	8,896	.0		.0	.0	.0			.0	.0
3. 2007.....	19,589	.0	.0	.0	.0	.0			.0	.0
4. 2008.....	25,914	3,943		.0	3,943	15.2			3,943	15.2
5. 2009.....	20,898	11,211	732	6.5	11,943	57.2	2,510	51	14,504	69.4

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior .....	.0	.0	.0	.0	.0
2. 2005.....	175	837	.0	.0	.0
3. 2006.....	XXX	5,553	2,034	.0	.0
4. 2007.....	XXX	XXX	14,237	3,763	.0
5. 2008.....	XXX	XXX	XXX	19,190	3,919
6. 2009.....	XXX	XXX	XXX	XXX	11,235

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior .....	.0	.0	.0	.0	.0
2. 2005.....	.0	.0	.0	.0	.0
3. 2006.....	XXX	.0	.0	.0	.0
4. 2007.....	XXX	XXX	.0	.0	.0
5. 2008.....	XXX	XXX	XXX	.0	.0
6. 2009.....	XXX	XXX	XXX	XXX	13,536

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2005.....	815	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2006.....	8,896	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2007.....	19,589	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2008.....	25,914	3,943	.0	.0	3,943	15.2	.0	.0	3,943	15.2
5. 2009.....	20,898	11,211	732	6.5	11,943	57.2	2,510	51	14,504	69.4

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	.0						.0		
2. Additional policy reserves (a)	285,000						285,000		
3. Reserve for future contingent benefits .....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income) .....	.0								
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (Gross)	285,000	.0	.0	.0	.0	.0	285,000	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4)	285,000	.0	.0	.0	.0	.0	285,000	.0	.0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (Gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Includes \$ premium deficiency reserve.

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building).....			119,859		119,859
2. Salaries, wages and other benefits.....			1,233,627		1,233,627
3. Commissions (less \$ceded plus \$assumed.....					0
4. Legal fees and expenses.....					0
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....			260,904		260,904
7. Traveling expenses.....			97,546		97,546
8. Marketing and advertising.....			57,122		57,122
9. Postage, express and telephone.....			54,678		54,678
10. Printing and office supplies.....			25,431		25,431
11. Occupancy, depreciation and amortization.....					0
12. Equipment.....			11,669		11,669
13. Cost or depreciation of EDP equipment and software.....					0
14. Outsourced services including EDP, claims, and other services.....			259,978		259,978
15. Boards, bureaus and association fees.....					0
16. Insurance, except on real estate.....			17,200		17,200
17. Collection and bank service charges.....					0
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....					0
23.4 Payroll taxes.....					0
23.5 Other (excluding federal income and real estate taxes).....		0	56,636		56,636
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	731,550	0	0	731,550
26. Total expenses incurred (Lines 1 to 25).....	0	731,550	2,194,650	0	(a) 2,926,200
27. Less expenses unpaid December 31, current year.....		51,355	1,625		52,980
28. Add expenses unpaid December 31, prior year.....	0	69,237	0	0	69,237
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	749,432	2,193,025	0	2,942,457
DETAIL OF WRITE-INS					
2501. CAE.....		731,550	0		731,550
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598)(Line 25 above)	0	731,550	0	0	731,550

(a) Includes management fees of \$2,944,083 to affiliates and \$to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) .....52,976	.....39,915
1.1 Bonds exempt from U.S. tax	(a) .....	.....
1.2 Other bonds (unaffiliated)	(a) .....	.....
1.3 Bonds of affiliates	(a) .....0	.....
2.1 Preferred stocks (unaffiliated)	(b) .....0	.....
2.11 Preferred stocks of affiliates	(b) .....0	.....
2.2 Common stocks (unaffiliated) .....	.....0	.....
2.21 Common stocks of affiliates .....	.....0	.....
3. Mortgage loans	(c) .....	.....
4. Real estate	(d) .....	.....
5. Contract loans .....	.....	.....
6. Cash, cash equivalents and short-term investments	(e) .....11,644	.....12,367
7. Derivative instruments	(f) .....	.....
8. Other invested assets .....	.....	.....
9. Aggregate write-ins for investment income .....	.....0	.....0
10. Total gross investment income	64,620	.....52,282
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income .....		.....0
16. Total deductions (Lines 11 through 15) .....		.....0
17. Net investment income (Line 10 minus Line 16) .....		.....52,282
DETAILS OF WRITE-INS		
0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

(a) Includes \$7,517 accrual of discount less \$474 amortization of premium and less \$0 paid for accrued interest on purchases.
(b) Includes \$accrual of discount less \$amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$paid for accrued interest on purchases.
(d) Includes \$for company's occupancy of its own buildings; and excludes \$interest on encumbrances.
(e) Includes \$accrual of discount less \$amortization of premium and less \$paid for accrued interest on purchases.
(f) Includes \$accrual of discount less \$amortization of premium.
(g) Includes \$investment expenses and \$investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$interest on surplus notes and \$interest on capital notes.
(i) Includes \$depreciation on real estate and \$depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5. Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds .....			.....0	.....0	
1.1 Bonds exempt from U.S. tax .....			.....0		
1.2 Other bonds (unaffiliated) .....			.....0		
1.3 Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1 Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11 Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2 Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21 Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3. Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4. Real estate .....	.....0	.....0	.....0	.....0	.....0
5. Contract loans .....			.....0		
6. Cash, cash equivalents and short-term investments .....	.....0	.....0	.....0	.....0	.....0
7. Derivative instruments .....			.....0		
8. Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9. Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses)	0	0	0	0	0
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule-E Part 1), cash equivalents (Schedule-E Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	0	0
8. Receivables for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premiums.....	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
16.2 Net deferred tax asset.....	0	0	0
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software	0	0	0
19. Furniture and equipment, including health care delivery assets	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable.....	40,386	101,937	61,551
23. Aggregate write-ins for other than invested assets	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	40,386	101,937	61,551
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	40,386	101,937	61,551
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0
2301.			
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	1,141	771	764	676	650	8,886
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	1,141	771	764	676	650	8,886
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1.Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Fidelis SecureCare of Michigan Inc. are presented on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance.

Fidelis SecureCare of Michigan Inc is licensed and domiciled as a Health Maintenance Organization in the State of Michigan. The company is authorized to write Medicare business as a Medicare Advantage plan. The State of Michigan Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of a Health Maintenance Organization, for determining its solvency under the Michigan Insurance Law. The statement has been completed in accordance with the NAIC *Accounting Practices and Procedures Manual*. In NAIC SAP, some assets, such as prepaid expenses are not admitted. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

Cash and Cash Equivalents – Cash and cash equivalents include highly liquid investments that are both readily convertible to known amounts of cash, and so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash also includes savings accounts, and certificates of deposits with original maturities of three months or less. Cash equivalents are short-term investments that include investment with remaining maturities of greater than 90 days but less than one year at the time of acquisition.

Short Term Investments – Short term investments include investments with remaining maturities of one year or less at the time of acquisition.

Bonds – Investments in bonds are carried at amortized cost. The fair value below is based upon market values provided by an external investment value provider. The amortized cost and estimated fair value of bonds as of December 31, 2009 are as follows:

	<u>Amortized Cost</u>	<u>Unrealized Gain(Loss)</u>	<u>Fair Value</u>
U.S. Gov’t. obligations	<u>\$1,059,693</u>	<u>\$7,398</u>	<u>\$1,067,091</u>

The statutory carrying value and the fair value of the bonds at December 31, 2009, by stated maturity, are shown below. These bonds are held in trust as required to be deposited in restricted accounts for member’s protection pursuant to federal and state regulatory requirements.

	<u>Amortized Cost</u>	<u>Unrealized Gain(Loss)</u>	<u>Fair Value</u>
Due in One Year or less	<u>\$501,154</u>	<u>\$6,676</u>	<u>\$507,830</u>
Due in one through five yrs	<u>\$558,539</u>	<u>\$722</u>	<u>\$559,261</u>
Due in over five years	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

In December 2003, the Emerging Issues Task Force (“EITF”) issued EITF 03-1, The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments. EITF 03-1 specifies certain quantitative and qualitative disclosures for debt and marketable equity securities classified as available for sale or held-to maturity and where costs exceeds market value at the balance sheet date but for which an other-than-temporary impairment has not been recognized. As of December 31, 2009 the fair value of securities, \$1,067,091 exceeded its book value (amortized cost) by \$7,398.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums are earned monthly over the terms of the related insurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company’s Board of Directors. The aggregate amount of policyholders’ dividends is related to actual interest, mortality, morbidity, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.

NOTES TO FINANCIAL STATEMENTS

- (2)

Common Stocks at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 10 % or more (per SSAP 88) are carried on the equity basis. Bonds not backed by other loans are stated at amortized cost using the constant yield interest method.
- (3)

The Company anticipates investment income as a factor in the premium deficiency calculation,.
- (4)

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (5)

The Company has not modified its capitalization policy from the prior period.
2.

Accounting Changes and Corrections of Errors

Not Applicable
3.

Business Combinations and Goodwill

Not Applicable
4.

Discontinued Operations

Not Applicable
5.

Investments

See Note 1
6.

Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.
7.

Investment Income

Investment income includes interest and dividend income due and unpaid on bonds and short term investments. All amounts have been admitted at 12/31/2009.
8.

Derivative Instruments

Not applicable
9.

Income Taxes

A. The components of the net deferred tax asset at December 31, 2009 and 2008 are as follows:

	2009	2008
Total of gross deferred tax assets	\$371,153	\$371,153
Total of deferred tax liabilities	(7,132)	(7,132)
Net deferred tax asset	364,021	364,021
Deferred tax assets nonadmitted	364,021	364,021
Net deferred tax asset	\$0	\$0
Decrease in nonadmitted asset	\$0	(\$18,241)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	2009	2008	Change
Total gross deferred tax assets	\$371,153	\$371,153	\$0
Total of deferred tax liabilities	(7,132)	(7,132)	0
Net deferred tax asset	364,021	364,021	0
Tax effect of unrealized gain (loss)	0	0	0
Change in net deferred income taxes			\$0

NOTES TO FINANCIAL STATEMENTS

B. The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities at December 31, 2009 and 2008 are as follows:

	2009	2008
Deferred tax assets		
Organization costs	\$328,132	\$328,132
Loss reserve discounting	43,020	43,020
<hr/>		
Total deferred tax assets	371,152	371,152
Nonadmitted deferred tax assets	364,020	364,020
Admitted deferred tax assets	7,132	7,132
Deferred tax liabilities		
Total deferred tax liabilities	(7,132)	(7,132)
Net deferred tax asset admitted	\$0	\$0

C. The provision for incurred income tax expense for the years ended December 31, 2009 and 2008 is:

	2009	2008
Federal - excluding net capital gains (losses)	1,525,746	198,101
Federal tax on net capital gains (losses)	0	0
Federal income taxes incurred	1,525,746	198,101

- D. No significant reconciling items to disclose.
- E. There are no income taxes incurred in the current year that will be available for recoupment in the event of future losses.
- F. Fidelis SecureCare of Michigan Inc files consolidated Federal Tax returns with its parent, Fidelis SeniorCare Inc. Two affiliated companies, Fidelis SecureCare of North Carolina, Inc. and Fidelis SecureCare of Texas, Inc. also file in that consolidated tax return. Subsidiary federal tax liability shall be paid to the parent company and filed as part of a consolidated federal tax return. The group’s consolidated federal tax liability shall be apportioned for purposes of computing earnings and profits in accordance with the method provided in Section 1552(a)(1) of the Code and Regulations Section 1.1552-1(a)(1). The group’s unitary tax liability shall be apportioned for tax purposes in accordance with the requirements of applicable state law, or, if none, as reasonably determined by the Parent.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. The Company paid no dividends to the Parent Company through December 31, 2009.
- B. At December 31, 2009, Fidelis SecureCare of Michigan reported \$49 as amounts due from the Parent Company, Fidelis SeniorCare Inc and \$0 as amounts due to Fidelis Healthcare Services. These amounts due from the parent relate to the settlement in accordance with the administrative services agreement between the Parent and the Company. The parent entity, Fidelis SeniorCare Inc. provides administrative services to the health plan, Fidelis SecureCare of Michigan Inc.
- As of December 31, 2009, the Company has \$190,702 and \$39,948 due to the Parent and Fidelis HealthCare Services Inc respectively. Amounts due to the Parent are related to tax payable in accordance with the Company’s tax sharing agreement with the Parent. Amounts due to Fidelis Healthcare Services are related to services provided under the Provider Network Agreement. Fidelis SecureCare of Michigan settles all intercompany transactions within 45 days of the end of fiscal periods.
- C. All outstanding shares of Fidelis SecureCare of Michigan are owned by the Parent Company, Fidelis SeniorCare Inc, an insurance holding company domiciled in the State of Delaware.

11. Debt

Not applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not applicable

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

NOTES TO FINANCIAL STATEMENTS

- (1) The Company has 100 shares authorized (.01 par), 100 shares issued and 100 shares outstanding. All shares are Common shares.
- (2) The Company has no preferred stock outstanding.
- (3) All shareholder dividends are paid out of Earned Surplus.
- (4) No extraordinary dividends or other extraordinary distributions to its shareholder until 30 days after the commissioner has received notice of the declaration thereof and has not within such period disapproved such payment within such thirty day period. For purposes of this section, an extraordinary dividend or distribution includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding twelve months exceeds the greater of ten percent of such insurer's surplus as regards policyholders as of December 30 next preceding, or the net gain from operations of such insurer, not including realized capital gains, for the twelve-month period ending December 30. Any other provision of law to the contrary notwithstanding, an insurer may declare an extraordinary dividend or distribution which is conditional upon the commissioner's approval thereof, and such a declaration confers no rights upon shareholders until the commissioner has approved the payment of such dividend or distribution or the commissioner has not disapproved such payment within the thirty-day period
- (5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (6) The total amount of advances to surplus not repaid is \$0.

14. Contingencies

Not applicable

15. Leases

A. Lessee Operating Lease

- (1) There is no commitment for the Company.
- (2) The company is not involved in any material sales – leaseback transactions.

16. Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable

20. Other Items

A. Other Disclosures

Assets with a market value of \$1,194,977 at December 31, 2009, were on deposit with JP Morgan as custodian in compliance with the Michigan Department of Insurance requirements. This consisted of a Treasury Notes, with an amortized cost of \$1,059,693 and a market value of \$1,067,091 and \$127,886 in JP Morgan Federal Money Market.

21. Events Subsequent

Not Applicable.

22. Reinsurance

A. Ceded Reinsurance Report

NOTES TO FINANCIAL STATEMENTS

Section 1 – General Interrogatories

- (1)

Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes (☐) No (☒)

If yes, give full details.
- (2)

Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes (☐) No (☒)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1)

Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes (☐) No (☒)

a.

If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate \$_____.

b.

What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? \$_____.
- (2)

Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes (☐) No (☒)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1)

What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ 0_____
- (2)

Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes (☐) No (☒)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$_____

B. Uncollectible Reinsurance

The Company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of: \$ 0_____, which is reflected as:

- (1)

Losses incurred

\$ 0_____
- (2)

Loss adjustment expenses incurred

\$ 0_____
- (3)

Premiums earned

\$ 0_____
- (4)

Other

\$ 0_____

C. Commutation of Ceded Reinsurance

NOTES TO FINANCIAL STATEMENTS

The Company has reported \$0 in its operations in the current year as a result of commutation of reinsurance.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination
Not applicable

24. Change in Incurred Claims and Claim Adjustment Expenses

24. Change in Incurred Claims and Claim Adjustment Expenses

	2009	2008
Balance at, January 1, 2008	\$4,878,588	\$4,125,664
Reinsurance balance recoverable for unpaid claims	0	0
Gross balance	4,878,588	4,125,664
Incurred claims and claims adjustment expense related to:		
Current year	13,413,273	24,019,376
Prior year	(351,740)	(459,481)
Total incurred claims and claims adjustment expenses	13,061,533	23,559,895
Less claims paid:		
Current year	11,632,651	19,128,304
Prior year	3,919,235	3,678,667
Total paid	15,551,886	22,806,971
Balance at, December 31, 2009	\$2,388,235	\$4,878,588

25. Intercompany Pooling Arrangements
Not applicable

26. Structured Settlements
Not applicable.

27. Health Care Receivables
Not applicable.

28. Participating Policies
The Company paid dividends in the amount of \$0 to policyholders and did not allocate any additional income to such policyholders.

29. Premium Deficiency Reserves
As of December 31, 2009 the Company had liabilities of \$0 related to premium deficiency reserves. The Company does consider anticipated investment income when calculating its premium deficiency reserves.

30. Anticipated Salvage and Subrogation
Not applicable

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X] No []
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] NA []
- 1.3

State Regulating?

Michigan
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]
- 2.2

If yes, date of change:
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2006
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2006
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

04/08/2008
- 3.4

By what department or departments?

Office of Financial and Insurance Regulation
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes [] No [] NA [X]
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] NA []
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11

sales of new business?

Yes [] No [X]
- 4.12

renewals?

Yes [] No [X]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21

sales of new business?

Yes [] No [X]
- 4.22

renewals?

Yes [] No [X]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]
- 7.2

If yes,
- 7.21

State the percentage of foreign control
- 7.22

State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney - in - fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney - in - fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]
- 8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
- 11.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]

11.11

Name of real estate holding company

11.12

Number of parcels involved

11.13

Total book/adjusted carrying value

\$
- 11.2

If yes, provide explanation
12.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 12.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 12.4

If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] NA []
- 13.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and

a.

professional relationships;

b.

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c.

Compliance with applicable governmental laws, rules and regulations;

d.

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e.

Accountability for adherence to the code.
- 13.11

If the response to 13.1 is No, please explain:
- 13.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 13.21

If the response to 13.2 is Yes, provide information related to amendment(s).
- 13.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 13.31

If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [X] No []
15.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []
16.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes [X] No []

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

GENERAL INTERROGATORIES
FINANCIAL

17.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [] No [X]

18.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

18.11

To directors or other officers

\$

18.12

To stockholders not officers

\$

18.13

Trustees, supreme or grand (Fraternal only)

\$

18.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

18.21

To directors or other officers

\$

18.22

To stockholders not officers

\$

18.23

Trustees, supreme or grand (Fraternal only)

\$

19.1

Were any assets reported in the statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [] No [X]

19.2

If yes, state the amount thereof at December 31 of the current year:

19.21

Rented from others

\$

19.22

Borrowed from others

\$

19.23

Leased from others

\$

19.24

Other

\$

20.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [] No [X]

20.2

If answer is yes:

20.21

Amount paid as losses or risk adjustment

\$

20.22

Amount paid as expenses

\$

20.23

Other amounts paid

\$

21.1

Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [] No [X]

21.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$49

INVESTMENT

22.1

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3)

Yes [X] No []

22.2

If no, give full and complete information relating thereto:

22.3

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provide)

22.4

Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [] No [] NA [X]

22.5

If answer to 22.4 is YES, report amount of collateral

\$

22.6

If answer to 22.4 is NO, report amount of collateral

\$

23.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3)

Yes [] No [X]

23.2

If yes, state the amount thereof at December 31 of the current year:

23.21

Subject to repurchase agreements

\$

23.22

Subject to reverse repurchase agreements

\$

23.23

Subject to dollar repurchase agreements

\$

23.24

Subject to reverse dollar repurchase agreements

\$

23.25

Pledged as collateral

\$

23.26

Placed under option agreements

\$

23.27

Letter stock or securities restricted as to sale

\$

23.28

On deposit with state or other regulatory body

\$

23.29

Other

\$

23.3

For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

24.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]

24.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes [] No [] NA [X]

25.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No [X]

25.2

If yes, state the amount thereof at December 31 of the current year.

\$

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

GENERAL INTERROGATORIES

26. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase.....	Chase Manhattan Plaza, New York, NY 10005-1489.....

26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [] No [X]

26.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....

26.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....
.....

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?..... Yes [] No [X]

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
27.2999 TOTAL		0

27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding Of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

GENERAL INTERROGATORIES

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
28.1 Bonds.....	1,059,693	1,067,091	7,398
28.2 Preferred stocks.....	0		0
28.3 Totals	1,059,693	1,067,091	7,398

28.4 Describe the sources or methods utilized in determining the fair values:

- 29.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?.....

Yes [X] No []
- 29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?.....

Yes [X] No []
- 29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 30.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?

Yes [X] No []
- 30.2 If no, list exceptions:

OTHER

- 31.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....

\$0
- 31.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	

- 32.1 Amount of payments for legal expenses, if any?.....

\$8,698
- 32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Epstein, Becker & Green, PC.....	8,698

- 33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....

\$0
- 33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	
.....	

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U. S. business only

\$ 0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 0

1.62

Total incurred claims

\$ 0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$ 0

1.65

Total incurred claims

\$ 0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2.1

Premium Numerator

\$ 20,897,546

2.2

Premium Denominator

\$ 20,897,546

2.3

Premium Ratio (2.1/2.2)

1.000

2.4

Reserve Numerator

\$ 2,224,580

2.5

Reserve Denominator

\$ 2,794,580

2.6

Reserve Ratio (2.4/2.5)

0.796

2

Prior Year

2.1

Premium Numerator

\$ 25,913,760

2.2

Premium Denominator

\$ 25,913,760

2.3

Premium Ratio (2.1/2.2)

1.000

2.4

Reserve Numerator

\$ 5,000,778

2.5

Reserve Denominator

\$ 5,000,778

2.6

Reserve Ratio (2.4/2.5)

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No [X]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [X] No []

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$ 100,000

5.32

Medical Only

\$

5.33

Medicare Supplement

\$

5.34

Dental and vision

\$

5.35

Other Limited Benefit Plan

\$

5.36

Other

\$

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

7.1

Does the reporting entity set up its claim liability for provider services on a service date base?

Yes [X] No []

7.2

If no, give details:

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

122

8.2

Number of providers at end of reporting year

73

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

9.22

Business with rate guarantees over 36 months

27

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contract?.....
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$.....873,142
- 10.22 Amount actually paid for year bonuses \$.....873,142
- 10.23 Maximum amount payable withholds \$.....
- 10.24 Amount actually paid for year withholds \$.....
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No [X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No [X]
- 11.14 A Mixed Model (combination of above) ?..... Yes [X] No []
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements?
- 11.3 If yes, show the name of the state requiring such net worth.
Michigan
- 11.4 If yes, show the amount required. \$.....1,976,248
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [X] No []
- 11.6 If the amount is calculated, show the calculation.
- 12.1 List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Wayne, Macomb, Oakland, Washtenaw, Allegan, Bay, Genesee, Jackson, Kalamazoo, Kent, Muskegan and Saginaw counties.....

- 13.1 Do you act as a custodian for health savings accounts?..... Yes [] No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$.....
- 13.3 Do you act as an administrator for health savings accounts?..... Yes [] No [X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$.....

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

FIVE-YEAR HISTORICAL DATA

	1 2009	2 2008	3 2007	4 2006	5 2005
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	9,796,426	8,691,176	6,621,595	5,214,682	2,210,935
2. Total liabilities (Page 3, Line 22)	3,607,938	5,526,391	4,903,396	3,656,883	623,579
3. Statutory surplus	1,976,248	2,948,802	2,429,348	1,557,799	1,500,000
4. Total capital and surplus (Page 3, Line 31)	6,188,488	3,164,785	1,718,200	1,557,799	1,587,356
Income Statement (Page 4)					
5. Total revenues (Line 8)	20,897,546	25,913,760	19,289,952	8,756,847	814,647
6. Total medical and hospital expenses (Line 18)	13,536,138	23,635,064	17,071,958	8,520,280	747,137
7. Claims adjustment expenses (Line 20)	731,550	453,491	34,860	26,971	3,481
8. Total administrative expenses (Line 21)	2,194,650	1,360,471	2,094,299	241,445	112,769
9. Net underwriting gain (loss) (Line 24)	4,435,208	464,734	88,835	(31,849)	(48,740)
10. Net investment gain (loss) (Line 27)	52,282	117,916	165,464	89,400	36,096
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income (loss) (Line 32)	2,961,743	384,549	207,210	57,551	(12,644)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	1,515,274	399,194	1,896,614	2,021,981	333,451
Risk - Based Capital Analysis					
14. Total adjusted capital	6,188,488	3,164,785	1,718,200	1,557,799	1,587,356
15. Authorized control level risk-based capital	988,124	1,474,401	1,214,674	577,498	169,627
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	650	1,141	925	672	192
17. Total member months (Column 6, Line 7)	8,886	13,564	9,777	4,739	526
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus 19)	64.8	91.2	88.5	97.3	91.7
20. Cost containment expenses	0.0	0.0	0.0	0.0	xxx
21. Other claims adjustment expenses	3.5	1.8	0.2	0.3	0.1
22. Total underwriting deductions (Line 23)	78.8	98.2	99.5	100.4	106.0
23. Total underwriting gain (loss) (Line 24)	21.2	1.8	0.5	(0.4)	(6.0)
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	4,341,266	4,241,544	2,300,772	661,757	0
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	5,000,778	4,181,939	2,880,254	572,474	0
Investments In Parent, Subsidiaries And Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 7)	0	0	0	0	0
30. Affiliated mortgage loans on real estate		0	0	0	0
31. All other affiliated		0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE
Fidelis SecureCare of Michigan Inc.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

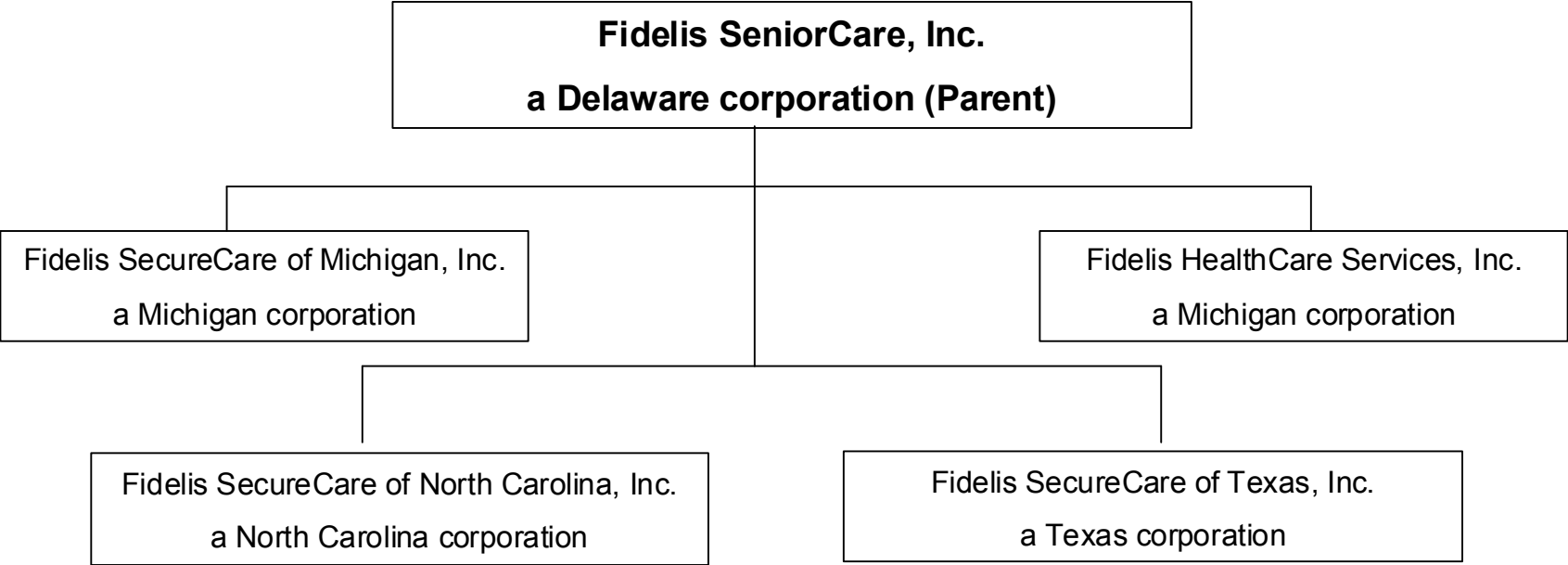
Allocated by States and Territories									
States, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N						0	0
2. Alaska	AK	N						0	0
3. Arizona	AZ	N						0	0
4. Arkansas	AR	N						0	0
5. California	CA	N						0	0
6. Colorado	CO	N						0	0
7. Connecticut	CT	N						0	0
8. Delaware	DE	N						0	0
9. District of Columbia	DC	N						0	0
10. Florida	FL	N						0	0
11. Georgia	GA	N						0	0
12. Hawaii	HI	N						0	0
13. Idaho	ID	N						0	0
14. Illinois	IL	N						0	0
15. Indiana	IN	N						0	0
16. Iowa	IA	N						0	0
17. Kansas	KS	N						0	0
18. Kentucky	KY	N						0	0
19. Louisiana	LA	N						0	0
20. Maine	ME	N						0	0
21. Maryland	MD	N						0	0
22. Massachusetts	MA	N						0	0
23. Michigan	MI	L	21,029,162					21,029,162	0
24. Minnesota	MN	N						0	0
25. Mississippi	MS	N						0	0
26. Missouri	MO	N						0	0
27. Montana	MT	N						0	0
28. Nebraska	NE	N						0	0
29. Nevada	NV	N						0	0
30. New Hampshire	NH	N						0	0
31. New Jersey	NJ	N						0	0
32. New Mexico	NM	N						0	0
33. New York	NY	N						0	0
34. North Carolina	NC	N						0	0
35. North Dakota	ND	N						0	0
36. Ohio	OH	N						0	0
37. Oklahoma	OK	N						0	0
38. Oregon	OR	N						0	0
39. Pennsylvania	PA	N						0	0
40. Rhode Island	RI	N						0	0
41. South Carolina	SC	N						0	0
42. South Dakota	SD	N						0	0
43. Tennessee	TN	N						0	0
44. Texas	TX	N						0	0
45. Utah	UT	N						0	0
46. Vermont	VT	N						0	0
47. Virginia	VA	N						0	0
48. Washington	WA	N						0	0
49. West Virginia	WV	N						0	0
50. Wisconsin	WI	N						0	0
51. Wyoming	WY	N						0	0
52. American Samoa	AS	N						0	0
53. Guam	GU	N						0	0
54. Puerto Rico	PR	N						0	0
55. U.S. Virgin Islands	VI	N						0	0
56. Northern Mariana Islands	MP	N						0	0
57. Canada	CN	N						0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0	0
59. Subtotal	XXX	0	21,029,162	0	0	0	0	21,029,162	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	0	21,029,162	0	0	0	0	21,029,162	0
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	

Explanation of basis of allocation by states, premiums by state, etc.

(a) Insert the number of yes responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

ORGANIZATIONAL CHART



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